



Rule and Interpretive/Policy Statement Review Checklist
(This form must be filled out electronically.)

This form is to be used when the current version of the rule(s) has not previously been reviewed. When reviewing an interpretive or policy statement, this document is to be used only if the review of the statement is not in conjunction with the review of a rule.

All responses should be **bolded**.

Document(s) Reviewed (include title) and date issued:

The following are all Audit Directives:

- | | |
|---|---------------|
| • 9200.1 Reliance of Determinations | Oct. 8, 1985 |
| • 9201.1 IRS Information Exchange Agreement | Dec. 16, 1985 |
| • 9201.2 IRS Information Exchange Agreement | Dec. 16, 1985 |
| • 9202.1 Audit Information | Dec. 9, 1988 |
| • 9400.1 Fraternal Benefit Societies – RCW 48.36A.240 | Mar. 1, 1988 |
| • 9600.1 Tax Deferral Audits | Apr. 3, 1989 |
| • 9601.1 New Causes for Audit Adjustment | Apr. 3, 1989 |
| • 9601.2 Cause for Audit Adjustments Form | Apr. 3, 1989 |
| • 9602.1 Delinquent Returns Included in Audit | Feb. 1, 1988 |
| • 9603.1 Use of Federal Income Tax Returns in Audits | Jan. 20, 1989 |
| • 9605.1 Bankruptcy Filings | May 15, 1986 |
| • 9606.1 Administrative Audit Directives | Jan. 12, 1989 |
| • 9607.1 Unregistered Accounts – UBI Registration | Apr. 3, 1987 |
| • 9608.1 Test Periods for Use Tax | Mar. 15, 1984 |
| • 9608.2 Detail of Test Periods | Sep. 18, 1989 |
| • 9608.3 Use Tax Projections | Sep. 21, 1989 |
| • 9609.1 Audit Types | June 5, 1989 |
| • 9610.1 Excise Tax Bulletins to be Abandoned | Mar. 19, 1987 |
| • 9610.2 Excise Tax Bulletins to be abandoned | Sep. 9, 1988 |
| • 9611.1 (1) Assessments Placed on Hold – Extension Requests
(2) Payments made prior to Audit Issuance | June 2, 1987 |
| • 9611.2 Instructions on the Local Sales Tax Distribution Forms | July 22, 1991 |
| • 9612.1 Motor Vehicle Excise Tax | Aug. 18, 1987 |
| • 9613.1 Successors | Dec. 28, 1983 |
| • 9614.1 MATC Templates | May 4, 1988 |

Reviewer: **Cindy Evans**

Date review completed: **June 26, 2002**

Is this document being reviewed at this time because of a taxpayer or business association request? (If “YES”, provide the name of the taxpayer/business association and a brief explanation of the issues raised in the request). **YES** ☐ **NO** ☒

Type an “x” in the column that most correctly answers the question, and provide clear, concise, and complete explanations where needed.

**1. Briefly explain the subject matter of the document(s):**

The 9000 series of Audit Directives are documents addressing administrative policy or procedure issues that at the time of issuance were presumed to have significance for at least 6 months. This series of directives does not deal with interpretive issues.

The following are examples of the types of information provided in this series of directives:

- 9201.2—Explaining the security guidelines for handling federal tax information.
- 9400.1—Identifying the fraternal benefit societies organized under chapter 48.36A RCW, as of March 1, 1988.
- 9606.1—Explaining that the purpose of the 9000 series of audit directives is to address administrative policy or procedure issues. Interpretive issues are to be dealt with in the 8000 series.
- 9602.1—Explaining the procedure for including delinquent returns in an audit report.
- 9605.1—Explaining the type of information an auditor should request from taxpayers when the auditor becomes aware of a bankruptcy.
- 9610.2—Explaining that a number of Excise Tax Bulletins (the precursor to the Excise Tax Advisory series) should be considered cancelled, though noting that this does not necessarily mean the ETBs were incorrect. (It should be noted that the cancelled ETBs are identified in ETA 547.)
- 9611.1—Explaining that audit supervisors requesting an extension for the due date of an audit assessment or that an assessment be placed on hold must do so in writing (form attached). This document also explains the appropriate terminology for a prepayment towards a liability discovered during an audit examination but not yet assessed (example attached).
- 9613.1—Explaining that a separate memorandum be attached to an audit report in cases where a succession situation exists (see Rule 216).

2. Need:

YES	NO	
	X	Is the document necessary to comply with the statutes that authorize it? (E.g., Is it necessary to comply with or clarify the application of the statutes that are being implemented? Does it provide detailed information not found in the statutes?)
X		Is the document obsolete to a degree that the information it provides is of so little value that the document warrants repeal or revision?
	N/a	Have the laws changed so that the document should be revised or repealed? (If the response is “yes” that the document should be repealed, explain and identify the statutes the rule implemented, and skip to Section 10.)
	X	Is the document necessary to protect or safeguard the health, welfare (budget levels necessary to provide services to the citizens of the state of Washington), or safety of Washington’s citizens? (If the response is “no”, the recommendation must be to repeal the document.)

Please explain.



The information provided in these documents is not intended to address or implement tax laws. These documents address policy and procedure issues such as what information is to be included in an audit report, how to complete forms, and how DOR field personnel are to communicate information to DOR personnel reviewing audit reports.

The information provided in these documents is outdated and is no longer used for determining Department procedures or practices.

3. Related interpretive/policy statements, court decisions, BTA decisions, and WTDs:

Complete Subsection (a) only if reviewing a rule. Subsection (b) should be completed only if the subject of the review is an interpretive or policy statement. Excise Tax Advisories (ETAs), Property Tax Advisories and Bulletins (PTAs/PTBs), and Interim Audit Guidelines (IAGs) are considered interpretive and/or policy statements.

(a)

YES	NO	
		Are there any interpretive or policy statements that should be incorporated into this rule? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
		Are there any interpretive or policy statements that should be cancelled because the information is currently included in this or another rule, or the information is incorrect or not needed? (An Ancillary Document Review Supplement should be completed for each and submitted with this completed form.)
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that provide information that should be incorporated into this rule?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the rule?

(b)

YES	NO	
		Should this interpretive or policy statement be incorporated into a rule?
		Are there any Board of Tax Appeal (BTA) decisions, court decisions, or Attorney Generals Opinions (AGOs) that affect the information now provided in this document?
		Are there any administrative decisions (e.g., Appeals Division decisions (WTDs)) that provide information that should be incorporated into the document?

If the answer is “yes” to any of the questions in (a) or (b) above, identify the pertinent document(s) and provide a brief summary of the information that should be incorporated into the document.



4. Clarity and Effectiveness:

YES	NO	
		Is the document written and organized in a clear and concise manner?
		Are citations to other rules, laws, or other authority accurate? (If no, identify the incorrect citation below and provide the correct citation.)
		Is the document providing the result(s) that it was originally designed to achieve? (E.g., does it reduce the need for taxpayers to search multiple rules or statutes to determine their tax-reporting responsibilities, help ensure that the tax law and/or exemptions are consistently applied?)
		Do changes in industry practices warrant repealing or revising this document?
		Do any administrative changes within the Department warrant repealing or revising this document?

Please explain.

5. Intent and Statutory Authority:

YES	NO	
		Does the Department have sufficient authority to adopt this document? (Cite the statutory authority in the explanation below.)
		Is the document consistent with the legislative intent of the statutes that authorize it? (I.e., is the information provided in the document consistent with the statute(s) that it was designed to implement ?) If “no”, identify the specific statute and explain below. List all statutes being implemented in Section 9, below.)
		Is there a need to recommend legislative changes to the statutes being implemented by this document?

Please explain.

6. Coordination: Agencies should consult with and coordinate with other governmental entities that have similar regulatory requirements when it is likely that coordination can reduce duplication and inconsistency.

YES	NO	
		Could consultation and coordination with other governmental entities and/or state agencies eliminate or reduce duplication and inconsistency?

Please explain.

7. Cost: When responding, consider only the costs imposed by the document being reviewed and not by the statute.

YES	NO	
		Have the qualitative and quantitative benefits of the document been considered in relation to its costs? (Answer “yes” only if a Cost Benefit Analysis was completed when the rule was last adopted or revised.)



Please explain.

8. Fairness: When responding, consider only the impacts imposed by the document being reviewed and not by the statute.

YES	NO	
		Does the document result in equitable treatment of those required to comply with it?
		Should it be modified to eliminate or minimize any disproportionate impacts on the regulated community?
		Should the document be strengthened to provide additional protection to correct any disproportionate impact on any particular segment of the regulated community?

Please explain.

9. LISTING OF DOCUMENTS REVIEWED: Use “bullets” with any lists, and include documents discussed above. Citations to statutes, interpretive or policy statements, and similar documents should include titles. Citations to Attorneys General Opinions (AGOs) and court, Board of Tax Appeals (BTA), and Appeals Division (WTD) decisions should be followed by a brief description (i.e., a phrase or sentence) of the pertinent issue(s).

Statute(s) Implemented:

Interpretive and/or Policy Statements (e.g., ETAs, PTAs, IAGs):

Court Decisions:

Board of Tax Appeals Decisions (BTAs):

Administrative Decisions (e.g., WTDs):

Attorney General’s Opinions (AGOs):

Other Documents (e.g., special notices or Tax Topic articles, statutes or regulations administered by other agencies or government entities, statutes, rules, or other documents that were reviewed but were not specifically relevant to the subject matter of the document being reviewed):



10. Review Recommendation:

_____	Amend
<u> X </u>	Repeal/Cancel (Appropriate when action is not conditioned upon another rule-making action or issuance of an interpretive or policy statement.)
_____	Leave as is (Appropriate even if the recommendation is to incorporate the current information into another rule.)
_____	Begin the rule-making process for possible revision. (Applies only when the Department has received a petition to revise a rule.)

Explanation of recommendation: Provide a brief summary of your recommendation. If recommending that the rule be amended, be sure to note whether the basis for the recommendation is to:

- Correct inaccurate tax-reporting information now found in the current rule;
- Incorporate legislation;
- Consolidate information now available in other documents (e.g., ETAs, WTDs, court decisions); or
- Address issues not otherwise addressed in other documents (e.g., ETAs, WTDs, court decisions).

The information provided in these documents is outdated and no longer relevant. These documents should be canceled.

There may be some confusion as to just what documents currently exist in the 9000 series of Audit Directives. It was noted during this review that the data base for TAXPEDIA (a search engine available for use by the public and Department personnel via the Internet) contains some duplication (e.g., AD 9603 is the same as AD 9603.1) and incomplete documents (e.g., AD 9602.2nd is an incomplete draft of AD 9602. 1).

Maintenance of the Audit Directive series appears to have been abandoned some time ago. The Department does not appear to have issued a directive on or after June 6, 1996, which is the effective date of RCW 34.05.230's requirement that state agencies announce the adoption of interpretive and/or policy statements in the Washington State Register (WSR). The Department has been formally announcing (in the WSR) the cancellation of audit directives that have been identified as obsolete or in error in conjunction with its review procedures implementing Executive Order 97-02 (issued March 25, 1997). However, the reviewer was unable to find any formal process or record documenting the issuance or cancellation of directives prior to these dates.

For these reasons, when announcing the cancellation of the ETAs reviewed here in the Washington State Register the Department should explain that this action effectively cancels the entire 9000 series. This will eliminate any potential confusion should any paper copies of/references to old, forgotten, canceled, or drafted-but-not-issued directives exist somewhere.



11. Manager action: Date: _____

_____ Reviewed and accepted recommendation

Amendment priority:

_____ 1
_____ 2
_____ 3
_____ 4